**Expansion of postal network**

3829. SHRI SUDARSHAN AKARAPU: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government are considering a proposal to introduce franchising scheme for expansion of the postal network in the country;

(b) if so, the details thereof; and

(c) whether Government are considering to franchise the post office to unemployed youth under the said proposal?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEELAHMAD): (a) Orders have been issued on 1.2.2007 for initial launch of the scheme for opening of franchise outlets in specified urban locations. The scheme has already been launched in 88 identified urban locations throughout the country.

(b) The scheme has been launched to provide better access to postal counter services in those areas where a post office cannot be opened as per the Department norms. Details of the scheme are given in the enclosed Statement (*See* below).

(c) There is no proposal to franchise post offices. However, unemployed youth are considered for appointment as franchisees for running franchised outlets provided they satisfy the prescribed selection criteria.

***Statement***

*Details of Pilot Scheme for Opening of Franchised Outlets in Specified Urban Areas*

1. For providing increased access to postal counter services, Franchising Scheme was launched with effect from 1.2.2007 in 88 identified urban locations on pilot basis.

2. **Basic features of the urban franchise model**

2.1 Only counter services have been franchised, while delivery and transmission will be continued through the Department. Linking arrangements for the franchised outlets will be provided by the franchisee.

2.2 The franchisee will provide service across the counter for a minimum defined time schedule with flexibility to work round the clock.

2.3 ***Products and services offered:***

(a) Sale of stamps and stationery.

(b) Booking registered articles, speed post articles, money orders (on EDBO model), e-post, etc. (no bulk booking to be taken up in franchised outlets).

(c) Functioning as an agent fo PLI and provide related after sales service, including collection of premia (subject to fulfillment of criteria for PLI agents).

(d) Marketing products for which the Department has a corporate agency or tie-up and provide related follow up services (subject to agreement which the other organization involved).

(e) Providing retail and bill/tax/fine collection/payment services of the Department (subject to agreement with the other organizations involved).

(f) Facilitating the provision of e-governance and citizen centric services (subject to agreement with the other organizations involved).

(g) Any other service introduced by the Department in future through its outlets which is considered amenable to the franchisee model (subject to agreement with the other organizations involved.

The model has adequate flexibility built in to allow a range of services to be extended through the outlets according to the need/demand, and to increase the range when found necessary. Thus, the range of counter services that can be offered through diferent outlets can vary, keeping in view the location and its capacity to generate revenues.

2.4 ***Implementation Strategy:***

In the initial phase and for the present, the urban franchise model has been implemented only in fast developing areas of urban growth like metros and their satellite towns, as also such urban areas where there is a justification for post offices on the distance and population norms but there is difficulty in providing the same through redeployment. The

further extension of the scheme can be taken up after the results available from experience of the initial phase say after six months of initial launch.

**2.5 *Viability:—***

The viability of each franchise only requires to be assessed by the concerned field unit so as to ensure adequate returns to the franchisee. The expected minimum revenue would depend on the range of services, particular location, potential revenue, the investments that the franchisee is willing to make, the cost likely to be incurred by the Department in providing support facilities, etc.

**2.6 *Criteria for Selection:—***

Applicants for franchises would need to submit an application in a prescribed proforma. The selected franchisee will sign a Memorandum of Agreement with the Department. Criteria for selection have been fixed considering the need to select persons with the capacity to manage and market a range of products, along with a sense of the community needs and public aspects of the job, and willingness to accept technological options. The criteria are as below:

(i) Only individuals are eligible for appointment and not any organization which he/she may be serving/representing.

(ii) Age: Above 18 years. No upper age limit.

(iii) Educational qualification: 10+2 standard of 12th class pass of a recognized University or Board of School Education or Board of Secondary Education.

(iv) Preference:

(a) Postal pensioners

(b) Those able to provide computer facilities

(v) Premises: Proper appropriately located and accessible premises, properly maintained with suitable display of approved signages.

(vi) Applicant should be willing to make the necessary investments for the conduct of the business and be able to provide a simple business plan comprising details of how the premises will be run, what the opening hours would be, investments proposed, market conditions, proposals for marketing products, awareness of customer base, role in local community, budget,

finances, etc. Two references from respectable persons of the locality where the franchise is proposed to be located would also be required to establish the character and antecedents of the applicant.

(vii) A business plan would be prepared taking into account the anticipated minimum level of business/revenue worked out by the Devisional Head for the specific franchise.

(viii) Security Deposit: The security deposit to be provided by the franchisee would be based on the maximum possible level of financial transactions likely be undertaken by the franchisee in a day. The minimum security deposit would be Rs. 10,000 in the shape of a performance bank guarantee.

(ix) Selection: Would be made by a committee comprising the Heads of the concerned Division and a neighbouring Division, based on a report from the Assistant Superintendent/Sub Divisional Inspector (Posts).

**2.7 *Remuneration to franchisee:—***

The franchisee will earn remuneration/commission on the services provided at following rates:

| Sl. No | Service | Commission per transaction |
|---|---|---|
| 1. | Booking of Registered Articles | Rs. 2.00 |
| 2. | Booking of Speed Post Articles | Rs. 2.00 |
| 3. | Booking of Money Orders | Rs. 3.50 |
| 4. | Sale of postage stamps and postal stationery and money order forms | 5% of sale amount |
| 5. | Retail Services | 40% of commission earned by DoP (rounded off in rupees, to be 40% or less) |

## Telephone facilities in village panchayats

†3830. SHRI AJAY MAROO: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

†Original notice of the question was received in Hindi.